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Macroeconomic policy questions: international trade and development

Report of the Second Committee*

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I. Introduction

1. The Second Committee held a substantive debate on agenda item 83 (a) (see A/59/481, para. 2). Action on sub-item (a) was taken at the 22nd to 24th, 31st, 40th and 41st meetings, on 2, 3 and 10 November and 16 and 17 December 2004. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/59/SR.22-24, 31, 40 and 41).

II. Consideration of proposals

A. Draft resolution A/C.2/59/L.25 and Rev.1

2. At the 31st meeting, on 10 November, the representative of Qatar, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/59/L.25), which read:

> "*The General Assembly*,
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> "*Recalling* its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002 and 58/197 of 23 December 2003 on international trade and development,
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> "*Recalling also* the provisions of the United Nations Millennium Declaration pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held

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in Monterrey, Mexico, from 18 to 22 March 2002 and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,

"*Recalling further* its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of the major United Nations conferences and summits and invited the President of the Trade and Development Board to present the outcomes of such reviews to the Economic and Social Council,

"*Considering* that an open, transparent, multilateral and equitable international trading system can lead to the increased participation of developing countries, especially the least developed countries, therefore contributing to the generation of resources that will assist in the achievement of the Millennium Development Goals, including in the fight against hunger and poverty,

"*Reaffirming* the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

"*Recalling* that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and the enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed and that, in this context, enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes for developing countries also play an important role,

"*Bearing in mind* the special needs of the least developed countries, the small island developing States and the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, as provided, respectively, in the Brussels Programme of Action, the Barbados Programme of Action and the Almaty Programme of Action,

"*Noting* with concern that a large number of countries, in particular the least developed countries and commodity-dependent countries, continue to remain marginalized in the international trading system and are vulnerable to external shocks,

"*Reaffirming* that agriculture remains a fundamental and key sector for the overwhelming majority of developing countries, and stresses the importance of the successful conclusion of the Doha work programme in this regard,

"*Reaffirming also* the need, subject to national legislation, to respect, preserve and maintain the knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity, to promote their wider

application with the approval and involvement of the holders of such knowledge, innovations and practices and to encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices,

"*Taking note* of the in-depth review undertaken by the Trade and Development Board at its fifty-first session of developments and issues in the post-Doha work programme of particular concern to developing countries following the eleventh session of the United Nations Conference on Trade and Development, and its contribution to an understanding of the actions required to help developing countries integrate, in a beneficial and meaningful manner, into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiations,

"1. *Takes note* of the report of the Trade and Development Board and the report of the Secretary-General;

"2. *Welcomes* the outcome of the eleventh session of the United Nations Conference on Trade and Development, convened from 13 to 18 June 2004 in São Paulo, Brazil, and the adoption of The Spirit of São Paulo and the São Paulo Consensus, which, building upon the Plan of Action adopted at its tenth session, held in Bangkok from 12 to 19 February 2000, reaffirm the continued commitment of the international community to supporting the United Nations Conference on Trade and Development in fulfilling its strengthened mandate and role as a forum for intergovernmental policy dialogue and consensus-building on trade and development;

"3. *Notes* that the outcome documents of the eleventh session of the United Nations Conference on Trade and Development emphasized the importance for all countries of enhancing coherence between national development strategies and global economic processes towards economic growth and development, in particular of developing countries, and, in that context, reinforced the consensus that trade is not an end in itself but a means to growth and development and that the international trading system and trade negotiations must assure development gains;

"4. *Reaffirms* the fundamental importance of, and its commitment to, achieving the objectives set out in the United Nations Millennium Declaration, as reaffirmed in the São Paulo Consensus, of upholding and safeguarding a universal, open, equitable, rule-based, predictable and non-discriminatory multilateral trading system in pursuit of sustained economic growth, sustainable development and poverty eradication;

"5. *Stresses* the importance of striving for equity and justice in the achievement of the Millennium Development Goals by addressing asymmetries in benefits and costs arising from multilateral rules and commitments through effective implementation of existing commitments, transfer of resources to developing countries and addressing their specific development concerns as identified in paragraph 68 of the São Paulo Consensus;

"6. *Underscores* that it is particularly important for developing countries, bearing in mind development goals and objectives, that all countries

take into account the need for an appropriate balance between national policy space and international disciplines and commitments, and stresses the need to provide policy space to the developing countries in formulating and executing their national economic policies;

"7. *Stresses* the importance of enhancing South-South trade and cooperation in the context of an emerging new trade geography that complements North-South trade and cooperation, and welcomes the decision, adopted in June 2004, to launch the third round of the Global System of Trade Preferences among Developing Countries;

"8. *Emphasizes* the importance of developing human, institutional, regulatory and research and development capacities and infrastructures aimed at enhanced supply-side capacity and competitiveness, as well as ensuring conducive international policy frameworks and supportive measures for the full and beneficial integration of developing countries into the international trading system;

"9. *Reaffirms* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001, to place development at the heart of the Doha work programme and to undertake concrete positive steps to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;

"10. *Emphasizes* the importance of rejecting the use of protectionism in the light of growing protectionist tendencies, and stresses the importance of strengthening multilateralism in the face of unilateralism and security measures, which have a considerable negative impact on trade flows from developing countries, the ongoing negotiations of the World Trade Organization and the achievement and further enhancement of the development dimension of the trade negotiations;

"11. *Stresses* the importance of open, transparent, inclusive, democratic and more orderly processes and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their interests fully reflected in the outcome of trade negotiations;

"12. *Welcomes* in this regard, the adoption by the General Council of the World Trade Organization of its decision of 1 August 2004 on frameworks for further negotiations, which reaffirms the value of multilateralism, re-establishes the viability of the Doha negotiations reconfirms the centrality of development concerns and allows the members of the World Trade Organization to re-engage and move forward in the negotiations;

"13. *Stresses* the need to develop the frameworks outlined in the above-mentioned decision of the General Council of the World Trade Organization in an inclusive and transparent manner into concrete, detailed and specific modalities for the early conclusion of the negotiations while ensuring balance and parallelism within and between areas under negotiation so as to effectively respond to the needs and concerns of the developing countries and ensure a

fair, equitable and development-oriented outcome of the Doha work programme;

"14. *Emphasizes*, in regard to the decision of the General Council of the World Trade Organization of 1 August 2004, and consistent with the Doha work programme, the following issues of particular interest and concern to the developing countries:

"(a) Addressing effectively, comprehensively, meaningfully and expeditiously the core development issues of special and differential treatment and implementation issues and concerns of developing countries in the negotiations by July 2005, as provided for in the decision;

"(b) In the elaboration of modalities under the framework on agriculture, as contained in annex A to the decision of 1 August 2004: the adoption of an appropriate tariff reduction formula that effectively eliminates tariff peaks and tariff escalation for products of export interest to developing countries in order to achieve substantial improvement in market access; the elimination of all forms of export subsidies by a credible early date; substantial reductions in trade-distorting domestic support; incorporation of effective, operational and usable development flexibility and special and differential treatment for developing countries, such as requiring reduced tariff reduction commitments or tariff quota expansion commitments, special products and special safeguard mechanisms, in support of agriculture development, food security and livelihood and rural development; and the effective implementation of paragraph 4 of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;

"(c) Implementing concretely the commitment to address cotton issues ambitiously, expeditiously and specifically and in a manner that does not compromise the importance that many countries attach to speedily and substantially addressing both the trade-related and development-related aspects of the cotton initiative;

"(d) Addressing seriously the difficulties faced by commodity-dependent developing countries owing to the continuing volatility of world commodities prices, with a view to assisting such countries to restructure, diversify and strengthen the competitiveness of their commodity sectors, and in this regard welcomes the formation of an international task force on commodities by the United Nations Conference on Trade and Development;

"(e) In the elaboration of full modalities for negotiations on market access for non-agricultural products as contained in annex B to the decision of the World Trade Organization of 1 August 2004: ensuring reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries; establishing a correct formula, which is effective, simple, transparent, least costly and equitable and which incorporates special and differential treatment and less than full reciprocity within its structures; allowing the developing countries the flexibility to implement the formula; and ensuring that the modalities to be finalized fully reflect the concerns of the developing countries related to loss in tariff revenues and unemployment,

sensitivity of certain sectors and de-industrialization, accentuation of poverty and adjustment costs;

"(f) Enhancing market entry conditions for the exports of developing countries by addressing effectively non-tariff barriers arising from product standards, abusive and arbitrary application of anti-dumping measures, complex rules of origin and other trade-distorting measures;

"(g) Agreement on measures to address effectively the concerns of developing countries in respect of the erosion of preferences and the impact of liberalization on their tariff revenues, including through compensatory mechanisms;

"(h) Implementing fully, in the negotiations, on trade in services, the development provisions of the Guidelines and Procedures for the Negotiations on Trade in Services of the World Trade Organization with regard to the General Agreement on Trade in Services, including through commercially meaningful multilateral commitments on service sectors and modes of supply of export interest to developing countries, with emphasis on the liberalization of the temporary movement of natural persons under mode 4 of the General Agreement on Trade in Services, and due attention to infrastructure services, professional and all other services that can be carried out from distant locations (business process outsourcing services), including in connection with the provision of essential services;

"(i) Expediting the clarification and improvement of agreements in the areas of anti-dumping, subsidies and countervailing measures, taking into account the needs of developing countries, while preserving the basic concepts, principles and effectiveness of those agreements;

"(j) Expeditiously completing the review of the dispute settlement understanding;

"(k) The modalities on negotiations on trade facilitation, as contained in annex D of the decision of 1 August 2004, stressing that the results of the negotiations shall take into account the principle of special and differential treatment for the developing and least developed countries, recognizing that the provision of technical assistance and capacity-building is vital for developing and least developed countries in order to enable them to fully participate in and benefit from the negotiations, emphasizing that the developing and least developed countries would not be obliged to undertake investments in infrastructure beyond their means and that their trade facilitation needs and priorities would be identified and concerns related to the costs implications of proposed measures addressed in the negotiations, requesting that the developed countries commit themselves to ensuring adequate support and assistance to developing and least developed countries in the negotiations, and, also requesting that, where such support and assistance for infrastructure is not forthcoming and where the developing and least developed countries lack the necessary capacity, implementation of such infrastructure-related commitments not be required;

"15. *Emphasizes* that issues related to trade, debt and finance and transfer of technology duly covered in the Doha work programme should be urgently addressed in the negotiations, with a view to safeguarding the

multilateral trading system from the effects of financial and monetary instability and in order to enhance the sustainable development of the developing countries;

"16. *Reaffirms* the full implementation of the Agreement on Textiles and Clothing of the World Trade Organization, which provides for the complete phase-out of the Agreement on Trade in Textile Products (the 'Multi-Fibre Agreement') by 31 December 2004, and emphasizes that market access to textile exports from the developing countries should not be denied through the use of other measures or trade barriers;

"17. *Reaffirms* the need to take fully into account the development dimension of the Agreement on Trade-related Aspects of Intellectual Property Rights, and in this regard calls on the World Intellectual Property Organization to integrate development dimensions into its activities to promote effective technology transfer to developing countries and a proper balance between intellectual property norms and the respective interests of producers and users of technical knowledge;

"18. *Invites* all Member States to effectively implement the decision adopted by the General Council of the World Trade Organization on 30 August 2003 on the implementation of paragraph 6 of the Doha Declaration on the Agreement on Trade-related Aspects of Intellectual Property Rights and Public Health through the expeditious establishment of a permanent solution to the problems faced by countries with insufficient or no manufacturing capacity in the pharmaceutical sector in accessing medicines at affordable prices by, inter alia, amending the Agreement on Trade-related Aspects of Intellectual Property Rights by March 2005;

"19. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade, and recognizes the need to facilitate the increased participation of the developing countries in the work of relevant international standard-setting organizations as well as the importance of providing financial and technical assistance and capacity-building efforts to enable them to respond adequately to the introduction of any new measures that may have significant negative impact on trade;

"20. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization, and at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001, in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed country exports, and notes that the consideration of proposals for developing countries in a position to do so to contribute to improved market access for the least developed countries would also be helpful;

"21. *Emphasizes* the importance of the strengthening of, and the attainment of universal membership in, the World Trade Organization, and, in this context, calls for the acceleration of the accession process, without political impediments and in an expeditious and transparent manner, for

developing countries applying for membership in the World Trade Organization, as well as the provision of technical assistance by the World Trade Organization and the United Nations Conference on Trade and Development, within their mandates, so as to contribute to the rapid and full integration of those countries into the multilateral trading system;

"22. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

"23. *Emphasizes* that regional trade arrangements should contribute positively to the multilateral trading system, stresses in this context the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade agreements, in accordance with paragraph 29 of the Doha Ministerial Declaration, taking into account the developmental aspects of those agreements, and urges the United Nations Conference on Trade and Development to assess and evaluate the development interface between the two processes;

"24. *Reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration;

"25. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, calls for, in this regard, the full and effective implementation of the Almaty Programme of Action, and stresses the need for the implementation of the São Paulo Consensus, adopted at the eleventh session of the United Nations Conference on Trade and Development in São Paulo, Brazil, on 18 June 2004, in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

"26. *Welcomes* the comprehensive and unique mandate of the United Nations Conference on Trade and Development, which was reaffirmed and enhanced at its eleventh session, and endorses the continued work of the United Nations Conference on Trade and Development in support of the effective and beneficial integration of developing countries into the global economy through analysis, intergovernmental consensus-building and technical assistance on assuring development gains from the international trading system and from trade negotiations in goods and services; commodities; trade, environment and development; and trade, competition policy and development;

"27. *Calls upon* the United Nations Conference on Trade and Development to monitor and evaluate the evolution of the international trading system and of trends in international trade from a development perspective, and in particular to analyse issues of concern to developing countries and help

them to develop their capacities to establish their own negotiating priorities and negotiate trade agreements, including under the Doha work programme;

"28. *Calls for* enhanced financial resources for the programmes and technical cooperation and capacity-building activities of the United Nations Conference on Trade and Development that assist developing countries, especially the least developed countries, countries with economies in transition and countries with small vulnerable economies, in international trade and trade negotiations, in particular in support of their participation in the Doha work programme, including the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

"29. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its sixtieth session on the implementation of the present resolution and on developments in the multilateral trading system under the sub-item entitled 'International trade and development'."

3. At the 40th meeting, on 16 December, statements were made by the representatives of Qatar (on behalf of the Group of 77 and China), the Russian Federation, Canada, the United States of America, Japan and Chile (see A/C.2/59/SR.40).

4. At the same meeting, on the proposal of the Chairman, the Committee decided to postpone consideration of the draft resolution until its next meeting.

5. At the 41st meeting, on 17 December, the Committee had before it a revised draft resolution entitled "International trade and development" (A/C.2/59/L.25/Rev.1), submitted by Switzerland.

6. At the same meeting, the Committee adopted draft resolution A/C.2/59/L.25/Rev.1 by a recorded vote of 152 to 2, with 6 abstentions (see para. 9). The voting was as follows:

In favour:

Afghanistan, Albania, Algeria, Andorra, Angola, Argentina, Armenia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritius, Mexico, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint

Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia and Montenegro, Singapore, Slovakia, Slovenia, Somalia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Palau, United States of America.

Abstaining:

Australia, Canada, Israel, Japan, New Zealand, Republic of Korea.

7. Before the adoption of the draft resolution, statements in explanation of vote were made by the representatives of the Netherlands (on behalf of the European Union, the candidate countries Croatia, Romania and Turkey and the countries of the Stabilization and Association Process and potential candidates Bosnia and Herzegovina and Serbia and Montenegro), the former Yugoslav Republic of Macedonia, the United States of America, New Zealand (also on behalf of Canada and Australia) and Japan; after the adoption of the draft resolution, statements were made by the representatives of Chile, Costa Rica (on behalf of Bolivia, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Uruguay, and subsequently on behalf of Colombia, Costa Rica, Ecuador, Guatemala, Honduras and Nicaragua), the Russian Federation, Argentina and El Salvador.

8. In the light of the adoption of draft resolution A/C.2/59/L.25/Rev.1, draft resolution A/C.2/59/L.25 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

9. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002 and 58/197 of 23 December 2003 on international trade and development,

Recalling also the provisions of the United Nations Millennium Declaration[1] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002[2] and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,[3]

Noting the Ministerial Declaration[4] and decisions adopted at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001, and the full commitment of all members of the World Trade Organization to give effect to them, in accordance with the World Trade Organization General Council decision of 1 August 2004,[5]

Reaffirming the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

Recalling its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of the major United Nations conferences and summits and invited the President of the Trade and Development Board to present the outcomes of such reviews to the Economic and Social Council,

Recalling also that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and the enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed and that, in this context, enhanced market access, balanced rules and well-targeted,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] A/C.2/56/7, annex.

[5] World Trade Organization, document WT/L/579 and Corr.1. Available online at http://docsonline.wto.org.

sustainably financed technical assistance and capacity-building programmes for developing countries also play an important role,

Noting the significant contribution of the multilateral trading system to economic growth, development and employment and the importance of maintaining the process of reform and liberalization of trade policies, as well as the importance of rejecting the use of protectionism, so that the system plays its full part in promoting recovery, growth and development, in particular of developing countries, bearing in mind paragraph 10 of resolution 55/182 of 20 December 2000,

Reaffirming that agriculture remains a key sector for the overwhelming majority of developing countries, and stressing the importance of the successful conclusion of the World Trade Organization Doha work programme[6] in accordance with the World Trade Organization General Council decision of 1 August 2004,

Reaffirming also the urgency, subject to national legislation, of recognizing the rights of local and indigenous communities that are holders of traditional knowledge, innovations and practices and, with the approval and involvement of the holders of such knowledge, innovations and practices, of developing and implementing benefit-sharing mechanisms on mutually agreed terms for the use of such knowledge, innovations and practices,

Recalling that it is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for an appropriate balance between national policy space and international disciplines and commitments,

Bearing in mind the special needs of the least developed countries, the small island developing States and the landlocked developing countries, as identified, respectively, in the Brussels Programme of Action[7] and the Barbados Programme of Action[8] and within a new global framework for transit transport cooperation for landlocked and transit developing countries as set out in the Almaty Programme of Action,[9]

Noting with concern that a number of developing countries, in particular the least developed countries and commodity-dependent developing countries, have not fully benefited from the global economy and trade liberalization,

Recognizing that countries must take appropriate and necessary security measures, but also underlining the importance of taking these measures in the manner that is least disruptive of normal trade and related practices,

Taking note of the review undertaken by the Trade and Development Board at its fifty-first session[10] of developments and issues in the post-Doha work

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[6] See A/C.2/56/7, annex.

[7] A/CONF.191/13, chap. I.

[8] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[9] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/30), annex I.

[10] A/59/15 (Part V), chap. II.C; for the final text, see *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 15* (A/59/15).

programme of particular concern to developing countries following the eleventh session of the United Nations Conference on Trade and Development, and its contribution to an understanding of the actions required to help developing countries integrate, in a beneficial and meaningful manner, into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiations,

Taking note also of the report of the Trade and Development Board[11] and the report of the Secretary-General,[12]

1. *Recognizes* that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development, thereby promoting economic growth and sustainable development that is necessary to achieve the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;[1]

2. *Reaffirms* the value of multilateralism to the global trading system, and in this regard welcomes the progress achieved in the Doha work programme,[6] with the adoption by the World Trade Organization General Council of its decision of 1 August 2004[5] on frameworks for further negotiations, which re-energizes the Doha round of the multilateral trade negotiations and recommits the members of the World Trade Organization to fulfilling the development dimension of the Doha work programme;

3. *Welcomes* the eleventh session of the United Nations Conference on Trade and Development, convened in São Paulo, Brazil, from 13 to 18 June 2004, and the adoption of The Spirit of São Paulo[13] and the São Paulo Consensus,[14] which, building upon the Plan of Action adopted at its tenth session,[15] held in Bangkok from 12 to 19 February 2000, reaffirm the continued commitment of the international community to supporting the United Nations Conference on Trade and Development in fulfilling its mandate in consensus-building, research and policy analysis, and in technical assistance on trade and development;

4. *Welcomes also* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001, and the World Trade Organization General Council decision of 1 August 2004 to place development at the heart of the Doha work programme and to continue to make positive efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;

5. *Reaffirms* that all countries have a shared interest in the success of the Doha work programme, which aims both at further increasing trading opportunities and reducing barriers to trade among nations and at making the trading system more development-friendly, which would contribute to the objective of upholding and safeguarding an open, equitable, rule-based, predictable and non-discriminatory

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[11] A/59/15 (Part V); for the final text, see *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 15* (A/59/15).

[12] A/59/305.

[13] TD/L.382.

[14] TD/410.

[15] TD/386.

multilateral trading system, and recalls that a major contribution of the Doha Ministerial Declaration[4] was to place the needs and interests of developing countries at the heart of the Doha work programme and that this important objective needs to be pursued with a view to bringing about concrete development-oriented outcomes from the multilateral trade negotiations;

6. *Looks forward* to the early development of the frameworks outlined in the World Trade Organization General Council decision of 1 August 2004 in an inclusive and transparent manner into concrete, detailed and specific modalities for the early and successful conclusion of the negotiations, while ensuring balance and parallel progress within and between areas under negotiation bearing in mind the needs and concerns of developing countries, and ensuring a fair and development-oriented outcome of the Doha work programme based on a broad agenda, including enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes;

7. *Recognizes*, in regard to the World Trade Organization General Council decision of 1 August 2004 and consistent with the Doha work programme, the following issues of particular interest and concern to developing countries:

(a) Reviewing special and differential treatment provisions with a view to making them more precise, effective and operational and, in this regard, expeditiously completing the review of the outstanding Agreement-specific proposals and cross-cutting issues, and finding appropriate solutions to outstanding implementation issues, by July 2005, as provided for in paragraph 1 (d) of the decision;

(b) The elaboration of modalities under the framework on agriculture, as contained in annex A to the decision, for negotiations, in accordance with paragraph 13 of the Doha Ministerial Declaration, noting that reforms in all three pillars of market access, domestic support and export competition form an interconnected whole and must be approached in a balanced and equitable manner with operationally effective and meaningful special and differential treatment for developing countries, and recalling that agriculture is of critical importance to the economic development of developing country members, particularly to the least developed countries and the net food-importing developing countries, and that they must be able to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies and food security and livelihood concerns, and that non-trade concerns will be taken into account;

(c) Implementing concretely the commitment to address cotton issues ambitiously, expeditiously and specifically within the agriculture negotiations as provided for in annex A to the decision;

(d) The elaboration of modalities on market access for non-agricultural products pursuant to annex B to the decision, with the aim of reducing or, as appropriate, eliminating tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries, with a comprehensive product coverage and without a priori exclusions, and recalling also the importance of special and differential treatment and less than full reciprocity in reduction commitments for developing countries as integral parts of the modalities;

(e) Negotiations on trade in services, as provided in annex C to the decision, with a view to providing effective market access to all members of the World Trade Organization and in order to ensure a substantive outcome, members striving to ensure a high quality of offers by May 2005, particularly in sectors and modes of supply of export interest to developing countries, with special attention to be given to least developed countries, and aiming to achieve progressively higher levels of liberalization with no a priori exclusion of any service sector or mode of supply, giving special attention to sectors and modes of supply of export interest to developing countries, noting the interest of developing countries, as well as other members, in mode 4;

(f) Enhancing trade-related technical assistance and capacity-building to increase the effective participation of developing countries in the negotiations, to facilitate their implementation of World Trade Organization rules and to enable them to adjust and diversify their economies;

(g) Advancing the negotiations aimed at clarifying and improving disciplines under the agreements in the areas of anti-dumping, subsidies and countervailing measures, while preserving the basic concepts, principles and effectiveness of those agreements, taking into account the needs of developing countries, in accordance with paragraph 1 (f) of the decision;

(h) Advancing negotiations under the review of the dispute settlement understanding, in accordance with paragraph 1 (f) of the decision;

(i) Negotiations on trade facilitation, the results of which should take fully into account the principle of special and differential treatment for developing and least developed countries, in accordance with annex D to the decision;

8. *Reaffirms* the importance of market access, and in this context recalls the importance of respect for World Trade Organization disciplines, including in the area of anti-dumping, inter alia, to avoid the abusive application of anti-dumping and other trade-distorting measures;

9. *Reaffirms also* the importance of the full implementation of the Agreement on Textiles and Clothing of the World Trade Organization,[16] which provides for the complete phase-out of the Agreement on Textiles and Clothing by 31 December 2004;

10. *Reaffirms further* the importance of the development dimension of the Agreement on Trade-related Aspects of Intellectual Property Rights;[16]

11. *Invites* all members of the World Trade Organization to effectively implement the decision adopted by the General Council of the World Trade Organization on 30 August 2003[17] on the implementation of paragraph 6 of the Doha Declaration on the Agreement on Trade-related Aspects of Intellectual Property Rights and Public Health[18] to address the problems faced by countries with insufficient or no manufacturing capacity in the pharmaceutical sector in accessing medicines at affordable prices when combating serious public health problems

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[16] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh, on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

[17] World Trade Organization, document WT/L/540. Available online at http://docsonline.wto.org.

[18] World Trade Organization, document WT/MIN(01)/DEC/2.

afflicting many developing and least developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics, and, as agreed by the World Trade Organization Council for Trade-related Aspects of Intellectual Property Rights on 16 June 2004, to expeditiously establish a permanent solution by amending the Agreement on Trade-related Aspects of Intellectual Property Rights on the basis of the recommendations by the Council to be presented by March 2005;

12. *Invites* the World Intellectual Property Organization to continue further its development activities and to continue to cooperate with relevant international organizations;

13. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade, while recognizing the rights of members of the World Trade Organization to determine their own appropriate level of sanitary and phyto-sanitary protection in accordance with World Trade Organization rules, and recognizes the need to facilitate the increased participation of the developing countries in the work of relevant international standard-setting organizations as well as the importance of providing financial and technical assistance and capacity-building efforts to enable them to respond adequately to the introduction of any new measures;

14. *Emphasizes* that issues related to trade, debt and finance and transfer of technology duly covered in the Doha work programme should be addressed as a high priority in accordance with the Doha work programme and the World Trade Organization General Council decision of 1 August 2004;

15. *Recalls* the commitment of the members of the World Trade Organization, in line with the Doha mandates, to progress in the areas of rules, trade and environment, and trade-related aspects of intellectual property rights, as stated in the World Trade Organization General Council decision of 1 August 2004;

16. *Stresses* the importance of an open, transparent, inclusive and democratic process and of procedures for the effective functioning of the multilateral trading system that allow for internal transparency and the effective participation of members, including in the decision-making process, and that enable them to have their vital interests duly reflected in the outcome of trade negotiations;

17. *Also stresses* the importance of facilitating the accession of all developing countries, in particular the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization, consistent with its criteria, bearing in mind paragraph 21 of General Assembly resolution 55/182 of 20 December 2000 and subsequent developments, and calls for the effective and faithful application of the World Trade Organization guidelines on accession of the least developed countries;

18. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

19. *Emphasizes* that bilateral and regional trade arrangements should complement the goals of the multilateral trading system, and in this context stresses the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade

agreements in accordance with paragraph 29 of the Doha Ministerial Declaration, taking into account the developmental aspects of regional trade agreements, and urges the United Nations Conference on Trade and Development, in accordance with its mandate, to provide technical inputs in this respect;

20. *Notes with appreciation* the autonomous steps taken by some countries in providing trade-related assistance and by simplifying administrative procedures, to facilitate access to their markets for exports from developing countries;

21. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization, and at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001,[19] in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed country exports, and notes that the consideration of proposals for developing countries to contribute to improved market access for the least developed countries would also be helpful;

22. *Welcomes* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration;

23. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, in this regard calls for the full and effective implementation of the Almaty Programme of Action,[9] and stresses the need for the implementation of the São Paulo Consensus,[14] adopted at the eleventh session of the United Nations Conference on Trade and Development in São Paulo, Brazil, on 18 June 2004, in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

24. *Recognizes also* the importance of addressing seriously the concerns of commodity-dependent developing countries owing to the continuing volatility of world commodity prices and other factors, and of supporting the efforts of such countries to restructure, diversify and strengthen the competitiveness of their commodity sectors, and in this regard notes the formation of an international task force on commodities by the United Nations Conference on Trade and Development;

25. *Emphasizes* the importance of addressing the concerns of a number of developing countries in respect of the erosion of preferences and the impact of liberalization on their tariff revenues;

26. *Stresses* the importance of enhancing South-South trade and cooperation in the context of an emerging new trade geography that complements North-South trade and cooperation, and takes note of the decision, adopted in June 2004, to launch the third round of the Global System of Trade Preferences among Developing Countries;

[19] See A/CONF.191/13.

27. *Recognizes* that it is important for developing countries and countries with economies in transition to consider reducing trade barriers among themselves;

28. *Expresses its concern* about the adoption of a number of unilateral actions that are not consistent with the rules of the World Trade Organization, harm the exports of all countries, in particular those of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

29. *Emphasizes* the importance of developing human, institutional, regulatory and research and development capacities and infrastructures aimed at enhanced supply-side capacity and competitiveness, as well as ensuring a conducive international environment for the full and effective integration of developing countries and countries with economies in transition into the international trading system;

30. *Stresses* the importance of strengthening and enabling the trade, investment and business environment through the adoption of appropriate domestic measures and conditions to encourage local, regional and international investment and efforts to prevent and dismantle anti-competitive practices and promote responsibility and accountability of corporate actors at both the international and the national levels, thereby enabling developing countries' producers, enterprises and consumers to take advantage of trade liberalization, and encourages developing countries to consider establishing competition laws and frameworks best suited to their development needs, complemented by technical and financial assistance for capacity-building, taking fully into account national policy objectives and capacity constraints;

31. *Notes* that the outcome documents of the eleventh session of the United Nations Conference on Trade and Development emphasized the importance for all countries of enhancing coherence between national development strategies and global economic processes towards economic growth and development, in particular of developing countries, and, in that context, reinforced the consensus that trade is a means to growth and development and that the international trading system and trade negotiations should facilitate development gains;

32. *Also notes* the important and unique mandate of the United Nations Conference on Trade and Development, which was reaffirmed at its eleventh session, and supports the continued work of the United Nations Conference on Trade and Development in support of the effective and beneficial integration of developing countries and countries with economies in transition into the global economy in cooperation with relevant international organizations;

33. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system and of trends in international trade from a development perspective, and in particular to analyse issues of concern to developing countries and countries with economies in transition, supporting them in the formulation, implementation and review of national trade and trade-related policies and options with a view to maximizing their share of world trade;

34. *Reiterates* the importance of supporting the programmes and technical cooperation and capacity-building activities of the United Nations Conference on

Trade and Development that assist developing countries, especially the least developed countries and countries with economies in transition, in international trade and trade negotiations, in particular in support of their participation in the Doha work programme, including the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

35. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its sixtieth session on the implementation of the present resolution and on developments in the multilateral trading system under the sub-item entitled "International trade and development".